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## Phase II Acid Rain Permit

### INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

#### Office of Air Quality

Source Name: Hoosier Energy Bedford Station  
Source Location: 3.5 miles SE of Bedford-Northwest Quarter of section 7, Bedford  
Owned by: Hoosier Energy REC  
Operated by: Hoosier Energy REC  
ORIS Code: 7948

This permit is issued to the above operator under the provisions of 326 Indiana Administrative Code (IAC) 21 and 40 Code of Federal Regulations (CFR) 72, through 40 CFR 78 and 58 Federal Register (FR) 3590, with conditions listed on the attached pages.

Operation Permit No.: AR 093-14497-00028	
Issued by: Origin signed by Janet G. McCabe  Janet G. McCabe, Assistant Commissioner Office of Air Quality	Issuance Date: March 6, 2002  Expiration Date: March 6, 2007

## Title IV Operating Conditions

### 326 IAC 21 and 40 CFR 72 through 40 CFR 78 and 58 FR 3590

Title IV Source: four (4) simple cycle, dual fuel turbine generator units, identified as Turbines 1, 2, 3, and 4, each with a net generating capacity of approximately 103 megawatts (MW) per turbine and a design heat input capacity of 1221 million British Thermal units per hour (mmBtu/hr), equipped with dry low NO<sub>x</sub> emissions control, and each exhausting to one (1) stack, identified as stacks 1, 2, 3, and 4 respectively. The primary fuel used will be natural gas, with fuel oil used as a back-up.

#### 1 Statutory and Regulatory Authority

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In accordance with IC 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2 as well as Title IV - Acid Deposition Control - Section 400 of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) issues this permit pursuant to 326 IAC 2 and 326 IAC 21.

#### 2 Standard Permit Requirements [326 IAC 21]

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- (a) The designated representative has submitted a complete Acid Rain permit application in accordance with the deadlines in 40 CFR 72.30.
- (b) The owners and operators of each affected source and each affected unit shall operate the unit in compliance with this Acid Rain permit.

#### 3 Monitoring Requirements [326 IAC 21]

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- (a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR 75.
- (b) The emissions measurements shall be recorded and reported in accordance with 40 CFR 75 to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (c) The requirements of 40 CFR 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or emissions characteristics at the unit required by the Clean Air Act and any provisions of the operating permit for the source.

#### 4 Sulfur Dioxide Requirements [326 IAC 21]

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- (a) The owners and operators of each source and each affected unit at the source shall:
  - (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and,
  - (2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
- (b) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.
- (c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirements as follows:
  - (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
  - (2) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).

- (d) Allowances shall be transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (e) These units were not allocated allowances by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR part 73. However, these units must still comply with the requirement to hold allowances to account for sulfur dioxide emissions under E.1.4(a) and 326 IAC 21.
- (f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, the Acid Rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization. Pursuant to 40 CFR 72.9(c)(7), allowances allocated by U.S. EPA do not constitute a property right.
- (g) These units have no sulfur dioxide (SO<sub>2</sub>) allowance allocations from U.S. EPA. The allowances shall be obtained from other units to account for the SO<sub>2</sub> emissions from these units as required by 40 CFR 72.9(c).

5 Nitrogen Oxides Requirements [326 IAC 21]

Pursuant to 40 Code of Federal Regulations (CFR) 76, Acid Rain Nitrogen Oxides Emission Reduction Program, the units are not subject to the nitrogen oxide limitations set out in 40 CFR 76.

6 Excess Emissions Requirements [326 IAC 21]

- (a) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.

- (b) The designated representative shall submit such required information to:

Indiana Department of Environmental Management  
Air Compliance Section I, Office of Air Quality  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015

and

Ms. Cecilia Mijares  
Air and Radiation Division  
U.S. Environmental Protection Agency, Region V  
77 West Jackson Boulevard  
Chicago, IL 60604-3590

and

U.S. Environmental Protection Agency  
Clean Air Markets Division  
1200 Pennsylvania Avenue, NW  
Mail Code (6204N)  
Washington, DC 20460

- (c) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
  - (1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and,
  - (2) Comply with the terms of an approved offset plan, as required by 40 CFR 77 and 326 IAC 21.

7 Record Keeping and Reporting Requirements [326 IAC 21]

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- (a) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years, as required by 40 CFR 72.9(f), from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OAQ:
- (1) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5 year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
  - (2) All emissions monitoring information collected in accordance with 40 CFR 75.54 shall be retained on site for 3 years;
  - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
  - (4) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (b) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90 subpart I, 40 CFR 75, and 326 IAC 21.

8 Submissions [326 IAC 21]

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- (a) The designated representative shall submit a certificate of representation and any superseding certificate of representation to U.S. EPA and IDEM, OAQ in accordance with 40 CFR 72 and 326 IAC 21.
- (b) The designated representative shall submit such required information to:
- Indiana Department of Environmental Management  
Permit Administration Section, Office of Air Quality  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015
- and
- U.S. Environmental Protection Agency  
Clean Air Markets Division  
1200 Pennsylvania Avenue, NW  
Mail Code (6204N)  
Washington, DC 20460
- (c) Each such submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.
- (d) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature, the following statement which shall be included verbatim in the submission:
- (1) "I am authorized to make this submission on behalf of the owners and operators of the affected

source or affected units for which the submission is made.”; and,

- (2) “I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.”
- (e) The designated representative of a source shall notify each owner and operator of the source and of an affected unit at the source:
  - (1) By the date of submission, of any Acid Rain Program submissions by the designated representative;
  - (2) Within 10 business days of receipt of any written determination by U.S. EPA or IDEM, OAQ; and,
  - (3) Provided that the submission or determination covers the source or the unit.
- (f) The designated representative of a source shall provide each owner and operator of an affected unit at the source a copy of any submission or determination under condition (e) of this section, unless the owner or operator expressly waives the right to receive a copy.

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9 Severability [326 IAC 21]

Invalidation of the Acid Rain portion of an operating permit does not affect the continuing validity of the rest of the operating permit, nor shall invalidation of any other portion of the operating permit affect the continuing validity of the Acid Rain portion of the permit [40 CFR 72.72(b), 326 IAC 21, and 326 IAC 2-7-5(5)].

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10 Liability [326 IAC 21]

- (a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, an Acid Rain permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to section 113(c) of the Clean Air Act and IDEM pursuant to 326 IAC 21 and IC 13-30-3.
- (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement by U.S. EPA pursuant to section 113(c) of the Clean Air Act and 18 U.S.C. 1001 and IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.
- (c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.
- (f) Any provision of the Acid Rain Program that applies to an affected unit, including a provision applicable to the designated representative of an affected unit, shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO<sub>x</sub> averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

- (g) Each violation of a provision of 40 CFR Parts 72, 73, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

11 Effect on Other Authorities [326 IAC 21]

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No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 U.S.C. 7651 to 7651(o)), exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
- (b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;
- (c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;
- (d) Modifying the Federal Power Act (16 U.S.C. 791(a) et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.



# Phase II Permit Application

Page 1

For more information, see instructions and refer to 40 CFR 72.30 and 72.31

This submission is: ☐ New ☒ Revised

**STEP 1**  
Identify the source by  
plant name, State, and  
ORIS code.

HOOSIER ENERGY BEDFORD STATION	IN.	7948
Plant Name	State	ORIS Code

a	Compliance Plan		d	e
	b	c		
Unit ID#	Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	Repowering Plan	Commence Operation Date	Monitor Certification Deadline

**STEP 2**  
Enter the unit ID# for each affected unit, and indicate whether a unit is being repowered and the repowering plan being renewed by entering "yes" or "no" at column c. For new units, enter the requested information in columns d and e.

1	Yes	NO	6-1-03	9-1-03
2	Yes	NO	6-1-03	9-1-03
3	Yes	NO	6-1-03	9-1-03
4	Yes	NO	6-1-03	9-1-03
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			

**STEP 3**  
Check the box if the response in column c of Step 2 is "Yes" for any unit.

☐ For each unit that is being repowered, the Repowering Extension Plan form is included.

**STEP 4**  
**Read the standard**  
**requirements and**  
**certification, enter**  
**the name of the**  
**designated repre-**  
**sentative, and sign**  
**and date**

**Standard Requirements**

Permit Requirements.

- (1) The designated representative of each affected source and each affected unit at the source shall:
  - (i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
  - (ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
- (2) The owners and operators of each affected source and each affected unit at the source shall:
  - (i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
  - (ii) Have an Acid Rain Permit.

Monitoring Requirements.

- (1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.
- (2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements.

- (1) The owners and operators of each source and each affected unit at the source shall:
  - (i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)) not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
  - (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
- (2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
- (3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
  - (i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
  - (ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
- (4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7, 72.8, or 72.14 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

Nitrogen Oxides Requirements. The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements.

- (1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
- (2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
  - (i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
  - (ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements.

- (1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:
  - (i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
  - (ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
  - (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
  - (iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (2) The designated representative of an affected source and each affected unit at the source shall submit the



HOOSIER ENERGY BEDFORD STATION

Plant Name (from Step 1)

Phase II Permit - Page  
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Liability.

(1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7, 72.8, or 72.14, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.

(2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.

(3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.

(4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.

(6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO<sub>x</sub> averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities. No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7, 72.8, or 72.14 shall be construed as:

(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

(2) Limiting the number of allowances a unit can hold; *provided*, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;

(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;

(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

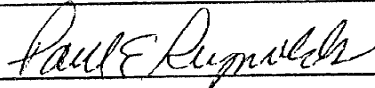
(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

Certification

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name PAUL E. REYNOLDS

Signature



Date

07/02/01



# Certificate of Representation

Page 1

For more information, see instructions and refer to 40 CFR 72.24

This submission is: ☐ New ☒ Revised (revised submissions must be completed in full; see instructions)

This submission includes combustion or process sources under 40 CFR part 74 ☐

**STEP 1**  
Identify the source by plant name, State, and ORIS code.

Plant Name	Hoosier Energy Bedford Station	State	IN	7948 ORIS Code
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**STEP 2**  
Enter requested information for the designated representative.

Name		Paul E. Reynolds	
Address			
P.O. Box 908 Bloomington, IN. 47402			
Phone Number	(812) 876-0261	Fax Number	(812) 876-9328
E-mail address (if available)			
reynolds@hepn.com			

**STEP 3**  
Enter requested information for the alternate designated representative, if applicable.

Name		Dale D. Winter	
Address			
Phone Number	(812) 876-0289	Fax Number	(812) 876-3139
E-mail address (if available)			
dwinter@hepn.com			

**STEP 4**  
Complete Step 5, read the certifications, and sign and date. For a designated representative of a combustion or process source under 40 CFR part 74, the references in the certifications to "affected unit" or "affected units" also apply to the combustion or process source under 40 CFR part 74 and the references to "affected source" also apply to the source at which the combustion or process source is located.

I certify that I was selected as the designated representative or alternate designated representative, as applicable, by an agreement binding on the owners and operators of the affected source and each affected unit at the source.

I certify that I have given notice of the agreement, selecting me as the 'designated representative' for the affected source and each affected unit at the source identified in this certificate of representation, in a newspaper of general circulation in the area where the source is located or in a State publication designed to give general public notice.

I certify that I have all necessary authority to carry out my duties and responsibilities under the Acid Rain Program on behalf of the owners and operators of the affected source and of each affected unit at the source and that each such owner and operator shall be fully bound by my actions, inactions, or submissions.

I certify that I shall abide by any fiduciary responsibilities imposed by the agreement by which I was selected as designated representative or alternate designated representative, as applicable.

I certify that the owners and operators of the affected source and of each affected unit at the source shall be bound by any order issued to me by the Administrator, the permitting authority, or a court regarding the source or unit.

Plant Name (from Step 1) HOOSIER ENERGY BEDFORD STATION
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Certificate - Page 2

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I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

<i>Paul E. Reynolds</i> Signature (designated representative)	07/02/01 Date
<i>John D. White</i> Signature (alternate designated representative)	7/3/01 Date

**STEP 5**  
Provide the name of every owner and operator of the source and identify each affected unit (or combustion or process source) they own and/or operate.

Hoosier Energy REC						
Name					<input checked="" type="checkbox"/> Owner	<input checked="" type="checkbox"/> Operator
1	2	3	4			
ID#	ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#	ID#

Name					<input type="checkbox"/> Owner	<input type="checkbox"/> Operator
ID#	ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#	ID#

Name					<input type="checkbox"/> Owner	<input type="checkbox"/> Operator
ID#	ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#	ID#

Name					<input type="checkbox"/> Owner	<input type="checkbox"/> Operator
ID#	ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#	ID#

**Indiana Department of Environmental Management  
Office of Air Quality**

**Addendum to the Technical Support Document**

Source Name: Hoosier Energy Bedford Station  
Source Location: 3.5 miles SE of Bedford-Northwest Quarter of Section 7,  
Indiana, 47421  
Owned by: Hoosier Energy REC  
Operated by: Hoosier Energy REC  
County: Lawrence  
Acid Rain Permit No.: AR 093-14497-00028  
Reviewer: Robert Ondrusek

On October 19, 2001, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ), published a notice in the Times-Mail newspaper, Bedford, Indiana, stating that Hoosier Energy REC applied for a Phase II acid rain permit for four (4) turbine generators to be located at the Hoosier Energy Bedford Station. The notice stated where the proposed permit could be reviewed along with other documentation. The notice stated that any interested person had a period of thirty (30) days to provide comments on the terms of this permit. IDEM received no comments on this permit.

IDEM is also issuing a Minor Source Operating Permit, MSOP 083-10726-00041, approving the construction and operation of this source, at the same time as the issuance of this Phase II permit.

IDEM has made the following changes to the Phase II acid rain permit for consistency with changes made to the source's MSOP and for clarity. New language is noted **in this style font**, deleted language is noted ~~in this style font~~.

1. The description of the Title IV Source on page two has been changed as follows:

Title IV Source: four (4) **simple cycle**, dual fuel turbine generator units, identified as Turbines 1, 2, 3, and 4, each with a net generating capacity of ~~approximately 80~~ **103** megawatts (MW) per turbine and a design heat input capacity of ~~913~~ **1221** million British Thermal units per hour (mmBtu/hr), equipped with dry low NO<sub>x</sub> emissions

control, and each exhausting to one (1) stack, identified as stacks 1, 2, 3, and 4 **respectively**. The primary fuel used will be natural gas, with fuel oil used as a back-up.

2. The numbering format of each of the permit conditions has been changed, for example, "E.1.1" is now "1" and the term "Section E" has been deleted from the heading at the top of page one.

3. Condition 7(a)(2) on page 4 has been changed to "All emissions monitoring information collected **in accordance with 40 CFR 75.54** shall be retained on site for 3 years ~~in accordance with 40 CFR 75.54 ;~~".

4. Throughout the permit, the location of the source has been changed to "3.5 miles SE of Bedford-**Northwest Quarter of Section 7**, Indiana, 47421".

**Indiana Department of Environmental Management  
Office of Air Quality**

**Technical Support Document  
for Draft Phase II Acid Rain Permit**

Source Name: Hoosier Energy Bedford Station  
Source Location: 3.5 miles SE of Bedford, Indiana, 47421  
Owned by: Hoosier Energy REC  
Operated by: Hoosier Energy REC  
County: Lawrence  
Acid Rain Permit No.: AR 093-14497-00028  
Reviewer: Robert Ondrusek

The Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) has reviewed the Hoosier Energy Rural Electric Cooperative Inc.'s application for a Phase II Permit. The application is for a source to be constructed at a site located at 3.5 miles Southeast of Bedford, Indiana. The source would be composed of four (4) dual fuel turbine generator units, identified as Turbines 1, 2, 3, and 4, each with a net generating capacity of approximately 80 megawatts (MW) per turbine and a design heat input capacity of 913 million British Thermal units per hour (mmBtu/hr), equipped with dry low NO<sub>x</sub> emissions control, and each exhausting to one (1) stack, identified as stacks 1, 2, 3, and 4. The primary fuel used will be natural gas, with fuel oil used as a back-up.

### Program Description

The Acid Rain Program's goal is to reduce the amount of sulfur dioxide and nitrogen oxides released to the atmosphere from power plants. These two pollutants play a large role in the formation of acid rain. There are no known direct human health effects from acid rain. Acid rain does have a harmful effect on aquatic animals. It can also be harmful to essential soil bacteria. Additional information regarding acid rain and the Acid Rain Program can be found on the Internet at the United States Environmental Protection Agency (U.S. EPA) site, at <http://www.epa.gov/airmarkets/>. Additional information in the form of maps showing the results of precipitation monitoring can be found on the Internet under <http://nadp.sws.uiuc.edu>.

The U.S. EPA has set a limit on the amount of sulfur dioxide emissions and the emission rate of nitrogen oxides for all regulated power plants, for each year from 2000 through 2009. The total sulfur dioxide emissions for all affected power plants in the nation have been limited to 9.4 million tons every year. That amount is 10 million tons less than the total emissions of sulfur dioxide in 1980. In 1993, U.S. EPA allocated a certain amount of sulfur dioxide emissions allowances to each power plant regulated by Phase II of the Acid Rain Program. Emissions of nitrogen oxides are being reduced by at least 2 million tons per year, by setting limits on the emission rate of nitrogen oxides from coal-fired power plant boilers.

## Federal Rules

The emission allowances and conditions in this draft Phase II permit were taken from the limits developed by the U.S. EPA for the Acid Rain Program pursuant to Title IV of the Clean Air Act, 42 United States Code 7401, as amended by Public Law 101-5049 (November 15, 1990). Parts 72 through 78 of Title 40 of the Code of Federal Regulations (CFR), 61 Federal Register (FR) 59142, 61 FR 67111, 61 FR 68821, and 62 FR 3463, apply to regulated power plants.

## Indiana's Rules

Title 326 of the Indiana Administrative Code (IAC) Article 21, Acid Deposition Control, has adopted the federal rule by referencing 40 CFR 72 through 78, 61 FR 59142, 61 FR 67111, 61 FR 68821, and 62 FR 3463. The rule incorporates the requirements of Title IV, Clean Air Act Acid Rain Program, of the 1990 Clean Air Act.

## Sulfur Dioxide Emission Allocations

The sulfur dioxide allowance allocation rule (40 CFR Part 73) was revised in August 1998. The nation wide allocated sulfur dioxide emissions are 9,480,000 tons per year for 2000 through 2009. The 2010 cap is projected to reduce sulfur dioxide emissions to 8,900,000 tons per year. No allocations were made for new sources. New regulated power plants have to obtain sulfur dioxide emission allocations by purchasing them from preexisting power plants that received U.S. EPA allocations. A regulated power plant may have emission allocations to sell because the plant purchased newer, less polluting, equipment. The U.S. EPA keeps track of the transfer of all sulfur dioxide emission allocations in an official accounting system.

This source has no annual allocated sulfur dioxide emission allowances established in the Title IV Acid Rain Program. These new units will be required to seek sulfur dioxide emission allowances from other units, in order to account for all sulfur dioxide emissions, as required by 40 CFR 72.9(c).

The sulfur dioxide emissions from these units will also be regulated by IDEM's minor source operating permit (MSOP). A draft MSOP for this source was placed on public notice at the same time as the public notice for this draft Phase II permit. The draft MSOP has the number 093-14495-00028. Twelve months after a power plant begins operation it must file an application with IDEM to obtain a Part 70 operating permit.

## Nitrogen Oxide Limitations

Pursuant to 40 CFR 76, nitrogen oxide (NO<sub>x</sub>) emission limitations are applicable only to coal-fired utility and coal-fired substitution units that are subject to Phase I and Phase II sulfur dioxide reduction requirements. The units at this source will not burn coal as a fuel. The nitrogen oxide emissions from these units will also be regulated by IDEM's minor source operating permit (MSOP). A draft MSOP for this source was placed on public notice at the same time as the public notice for this draft Phase II permit. The draft MSOP has the number 093-14495-00028. Twelve months after a power plant begins operation it must file an application with IDEM to obtain a Part 70 operating permit.

## Emissions Monitoring Requirements

The owners and operators and, to the extent applicable, the designated representative for the source must comply with the monitoring requirements set out in 40 CFR 75 and 72.9(b)(1) and (2). The source must measure and record its emissions of sulfur dioxide. The source must report these measurements to IDEM and U.S. EPA. These records and reports are used to determine if the source is in compliance with the sulfur dioxide allocation program. The requirements of the Phase II permit do not affect the source's responsibility to monitor emissions of other pollutants or other emissions characteristics required by the Clean Air Act and other operating permit provisions. Monitoring requirements outlined in the source's Phase II permit application are considered as part of the Phase II permit. The source will have additional monitoring requirements, as set out by IDEM's minor source operating permit (MSOP).

A draft MSOP for this source was placed on public notice at the same time as the public notice for this draft Phase II permit. The draft MSOP has the number 093-14495-00028. Twelve months after a power plant begins operation it must file an application with IDEM to obtain a Part 70 operating permit.

## Other Record Keeping and Reporting Requirements

The source must keep copies of all reports and compliance certifications it submits to demonstrate compliance with the requirements of the Phase II permit for five years. The source must submit the reports and compliance certifications required by the Phase II permit to the U.S. EPA and IDEM, OAQ. Record keeping and reporting requirements outlined in the Phase II application are considered part of the Phase II permit. The source will have additional record keeping and reporting requirements, as set out in IDEM's minor source operating permit (MSOP). A draft MSOP for this source was placed on public notice at the same time as the public notice for this draft Phase II permit. The draft MSOP has the number 093-14495-00028. Twelve months after a power plant begins operation it must file an application with IDEM to obtain a Part 70 operating permit.

## Submissions

The designated representative for each emissions unit must sign and certify every report or other submission required by the Phase II permit. The designated representative must include the following certification statement in every submission:

"I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

The designated representative must send each owner and operator of the source a notification regarding every submission. The designated representative must also notify each owner and operator of the source within 10 business days of the receipt of any written determination made by U.S. EPA or IDEM.

## Draft Phase II Permit

Based on the information IDEM received from the proposed operator, IDEM has preliminarily determined that the proposed source meets the requirement of Indiana Code (IC) 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2, as well as Title IV of the Clean Air Act. IDEM proposes this draft Phase II permit pursuant to 326 IAC 21. The proposed source would also be regulated by conditions in IDEM's minor source operating permit (MSOP). A draft MSOP for this source was placed on public notice at the same time as the public notice for this draft Phase II permit. The draft MSOP has the number 093-14495-00028. Twelve months after a power plant begins operation it must file an application with IDEM to obtain a Part 70 operating permit.

## Additional Information

Questions regarding the proposed Phase II permit can be directed to Robert Ondrusek at the Indiana Department Environmental Management (IDEM), Office of Air Quality (OAQ), 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015 or by telephone at (317) 233-4227 or toll free at 1-800-451-6027 extension 3-4227.

The source will be inspected by IDEM's compliance inspection staff. Persons seeking to obtain information regarding the source's compliance status or to report any potential violation of any permit



condition should contact Wanda Stanfield at the Office of Air Quality (OAQ) address or by telephone at (317) 233-6864 or toll free at 1-800-451-6027 extension 3-6864.

Copies of the Code of Federal Regulations (CFR) and Federal Registers (FR) referenced in the permit may be obtained from:

Indiana Department of Environmental Management  
Office of Air Quality  
100 North Senate Avenue  
P.O. Box 6015  
Indianapolis, Indiana 46206-6015

or

The Government Printing Office  
Washington, D.C. 20402

or

on the Government Printing Office website at  
<http://www.access.gpo.gov/nara/cfr/index.html>